



THOMAS L. GARTHWAITE, M.D.
Director and Chief Medical Officer

FRED LEAF
Chief Operating Officer

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES
313 N. Figueroa, Los Angeles, CA 90012
(213) 240-8101

BOARD OF SUPERVISORS

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Yvonne Brathwaite Burke
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November 18, 2004

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**APPROVE THE ACQUISITION OF EQUIPMENT AND ESTABLISH
CAPITAL PROJECTS AND RELATED APPROPRIATION ADJUSTMENT
FOR THE CARDIAC CATHETERIZATION LABORATORIES AT HARBOR-UCLA
AND OLIVE VIEW-UCLA MEDICAL CENTERS (C.P. No. 86728 and C.P. No. 86729)
(2nd and 5th Districts) (4 Votes)**

JOINT RECOMMENDATIONS WITH THE CHIEF ADMINISTRATIVE OFFICER THAT
YOUR BOARD:

1. Find that the projects are exempt from the California Environmental Quality Act (CEQA).
2. Establish Capital Project No. 86728 for Harbor-UCLA Medical Center (Harbor) and Capital Project No. 86729 for Olive View-UCLA Medical Center (Olive View) to renovate existing rooms for the installation of cardiac catheterization (cath) equipment in the cath labs.
3. Approve the Department of Health Services' (DHS or Department) equipment request and authorize the Purchasing Agent to proceed with the acquisition and installation of cath equipment, including the costs associated with room renovations necessary to accommodate the new equipment as a turn-key project.
4. Approve the attached appropriation adjustment in the amount of \$11,811,000 (\$7,866,000 at Harbor and \$3,945,000 at Olive View) funded by the additional use of the Department's Enterprise Fund Designation, to renovate the rooms and purchase the equipment including five year extended service agreements for the cath labs at Harbor and Olive View.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS:

In approving the recommended actions, the Board is authorizing the purchase of major fixed asset equipment for cath labs at Harbor and Olive View. These requests comply with the County Equipment Policy that the Board approved on October 16, 2001, which requires Board approval prior to a department's purchasing/financing equipment with a unit cost of \$250,000 or greater. The recommended actions will also establish new capital projects and approve funding for the DHS Fiscal Year (FY) 2004-05 Capital Projects Budget for room renovations related to the installation of the new equipment at the two facilities.

The current equipment at both facilities is outdated and unacceptable increases in downtime occur, which result in delays in providing patient care. The new equipment will allow an earlier diagnosis to be obtained, and more timely treatment of patients with cardiac problems. The new equipment will expedite patient care and increase patient safety, providing for overall improved patient outcomes.

The new cath lab equipment at Harbor and Olive View will produce high quality images and will allow for improved diagnostic capability. Additionally, timeliness of procedures will improve and new procedures will be performed in-house for patients who otherwise would be transferred to another facility. In addition, the inability to perform cath procedures causes patients to linger unnecessarily as inpatients, which leads to payment denial by MediCal and other such programs.

FISCAL IMPACT/FINANCING:

There is sufficient funding in the DHS Enterprise Designation Fund to renovate the rooms and purchase the equipment with extended service agreements for five years beyond the first two years which is included in the equipment purchase price. By purchasing the equipment the Department will avoid the finance charges that would occur if financed over several years through LAC-CAL. DHS plans to purchase the equipment in FY 2004-05. The estimated completion date for the renovations will be 12 months after Board approval.

The FY 2004-05 Capital Projects schedule and budget summary are included in Attachment A.

Harbor-UCLA Medical Center

The total estimated cost for the equipment, installation, service agreement and room renovation is \$7,866,000, which consists of \$5,518,000 for the equipment, \$1,578,000 for the additional five year extended service contract and \$770,000 for the room renovation.

Olive View-UCLA Medical Center

The total estimated cost for the equipment, installation, service agreement and room renovation is \$3,945,000, which consists of \$2,288,000 for the equipment and installation, \$781,000 for the additional five year extended service contract and \$876,000 for the room renovation.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

The cath lab is a room with specialized equipment for evaluating the heart and blood vessels. Contrast dye is injected into the blood vessels or cardiac chambers and visualized with special x-ray/camera equipment. Different types of heart disease, such as blocked coronary arteries or

valve disease, and peripheral blood vessel disease can be fully evaluated with this equipment. Catheter based intervention, such as stenting or angioplasty, is also carried out in this laboratory. Often, the patients studied are critically ill. It is imperative to have fully operational equipment at all times to evaluate and treat critically ill cardiac patients at Harbor and Olive View because of the acuity of disease, such as myocardial infarction (heart attack), heart failure, valve failure, or ischemic limb.

At Harbor, the fluoroscopy equipment in one of the cath rooms is 10 years old and is not functional. The equipment in the other room is 14 years old and experiences down time daily. As a result, patients are triaged and clinical decisions are made that include whether the patient's medication can be adjusted until the equipment is operational, or the patient is discharged and rescheduled on an outpatient basis. Transferring patients to either a community hospital, such as St. Mary's Hospital in Long Beach, or to another County facility, such as LAC+USC Medical Center, has also been explored but is not considered appropriate, due to both cost and workload issues.

The Olive View cath lab equipment is 20 years old. The lab was closed from June 1999 to March 2000 for a \$300,000 software upgrade which allowed the equipment to continue functioning on a limited basis. While the cath lab was closed and pursuant to County Code Section 2.76.530 - Emergency Transfer or Maintenance of Patients -- Payment of Physicians and Hospitals, the cost of transferring cardiac patients to a community hospital for care was approximately \$363,000 (which was a 50% discounted cost). The cath lab continues to have frequent hardware and software breakdowns requiring on-site service at least every two months.

The acquisition of room renovation services related to the equipment exceeds the statutory authority of the Internal Services Department (ISD) Purchasing Agent and on October 16, 2001, the Board approved the classification categories for fixed assets and new requirements for major fixed asset acquisitions whereby Departments will obtain Board approval to purchase or finance equipment with a unit cost of \$250,000 or greater prior to submitting their requisitions to Purchasing. Therefore, Board approval is required for the Purchasing Agent to proceed with this aspect of the acquisition and room renovation.

To expedite completion of the cath labs, a single vendor will be responsible for all aspects of the turn-key project, including architectural and engineering design work necessary to obtain OSHPD approval, renovation work and equipment installation. Each facility will manage the contractor's day-to-day activities and the DHS Capital Projects Section will provide oversight for both projects to ensure completion on time and within budget. The DHS Capital Projects Section will also ensure that licensure and OSHPD approvals are secured.

Harbor-UCLA Medical Center

The proposed cath lab equipment purchase includes a single plane and biplane imaging system with state-of-the-art flat panel digital technology which can be used for diagnostic, interventional and angiographic procedures. The equipment will be installed in two rooms located in the Primary Care Diagnostic Center.

Olive View-UCLA Medical Center

The proposed equipment purchase is a single plane combined cardiac and vascular imaging system with digital subtraction for diagnostic and interventional angiographic procedures. The

equipment will be installed on the second floor of the medical center in space currently occupied by the Gastroenterology (GI) Laboratory. The GI Lab and equipment will be relocated to the Nuclear Medicine Department prior to the installation of the new cath equipment. Moving the GI Lab requires room renovation consisting of adding an eight foot floor to ceiling wall with a standard size fire code rated door, relocating a light switch to the side of the door, and removing and replacing the return air with an exhaust system. All work will comply with fire rating code requirements and Americans with Disability Act requirements.

The room renovations will include but not be limited to: demolition, seismic bracing, electrical, lighting, heating, ventilation, air conditioning, mechanical, plumbing, drywall and framing, cabinets, repainting, medical gas, lead shielding, fire alarm, Americans with Disabilities Act compliance, and ceiling and flooring systems as needed to permit the installation of the new equipment. The estimated completion date will be 12 months after Board approval.

The project is necessary to bring the existing rooms selected for the installation of a cath system for the cardiac cath lab up to Office of Statewide Health Planning and Development (OSHPD) standards. The renovation of these rooms will accommodate the new cardiac cath lab equipment and the equipment purchases will improve the provision of services critical to patient care.

Implementation of Strategic Plan Goals

These actions meet the County's Strategic Plan Goal of Service Excellence by promoting best practices for patient care and the Goal of Fiscal Responsibility by investing in the public infrastructure.

Consistency with DHS System Redesign

These actions meet DHS' strategic goals by improving health care provided by DHS and enhancing the health of the residents of Los Angeles County.

The cath lab equipment needs of LAC+USC have been evaluated, and will be presented at a later date in a Board letter. The cath lab equipment needs of Martin Luther King are currently being evaluated.

ENVIRONMENTAL DOCUMENTATION:

This project is categorically exempt from the County of Los Angeles Revised Environmental Document Reporting Procedures and Guidelines as specified in Appendix C, Class 1, Subsection (d) adopted by your Board on November 17, 1987. Under this categorical exemption, interior and exterior alterations of a building involving such things as interior partitions, exterior parapets, placement of walls, veneer facings and installation of false or drop ceilings, plumbing and electrical conveyances and heating and refrigeration systems are exempt.

CONTRACTING PROCESS:

The acquisition of equipment associated with this project falls under the statutory authority of the ISD Purchasing Agent. However, the acquisition of room renovation services related to the equipment exceeds the statutory authority of the Purchasing Agent. Therefore, Board approval is required for the Purchasing Agent to proceed with this aspect of the acquisition.

IMPACT ON CURRENT SERVICES (OR PROJECTS):

Harbor-UCLA Medical Center

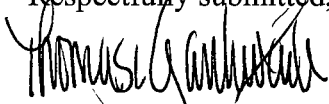
Renovation to accommodate equipment and the installation of the cath lab imaging system will have little to no impact on the SB 1953 retrofit scope of work. The SB 1953 scope requires a limited number of sprinkler-heads at the existing lab to be braced and this scope can be completed independently of the scope indicated in these recommendations.

Olive View-UCLA Medical Center

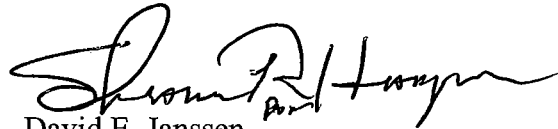
Upon completion of design by the catheterization laboratory imaging system vendor, DHS will share the detailed scope of the renovation with the Department of Public Works' SB 1953 team to coordinate the work, eliminate duplicate work and clearly define scope boundaries. The renovation and seismic retrofit work affecting the same area(s) will be scheduled together to minimize and reduce service disruption.

Upon approval by the Board of Supervisors, the Executive Officer, Board of Supervisors is requested to return adopted copies of this letter to the Department of Health Services and Chief Administrative Office, Capital Projects Division.

Respectfully submitted,



Thomas L. Garthwaite, M.D.
Director and Chief Medical Officer



David E. Janssen
Chief Administrative Officer

TLG:pm

Attachments (2)

c: Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors
Auditor-Controller
Internal Services Department

**AUTHORIZE THE ACQUISITION OF EQUIPMENT AND RELATED ACTION FOR THE
CARDIAC CATHETERIZATION LABORATORY AND APPROVE APPROPRIATION
ADJUSTMENT (Second and Fifth Districts)**

Harbor UCLA Medical Center (C.P.No. 86728)

I. PROPOSED PLANNING SCHEDULE

Project Activity	Scheduled Completion Date	Revised Completion Date	Date Completed
DHS Review ISD Changes	09/15/04	09/15/04	
ISD Makes Final Changes	09/17/04	09/17/04	
DHS Approves Final Specification	09/22/04	09/22/04	
File Board Letter	11/18/04		
Board Approval	11/30/04		
Preparation of Vendor Bid	11/08/04	11/08/04	
Bid Period	12/15/04		
ISD/DHS Evaluate Bids	01/05/05		
Issue Purchase Order Contract	02/02/05		
Vendor Prepares Construction Document	03/30/05		
Submit and Obtain OSHPD Approval	07/20/05		
Completion	11/09/05		

II. PROJECT BUDGET SUMMARY

Budget Category	Current Approved Budget	Impact of this Action	Revised Project Budget
Consultant	123,184		123,184
OSHPD Plan Check	12,421		12,421
Inspection	18,478		18,478
Construction	558,175		558,175
Change Order	57,742		57,742
Equipment	5,518,000		5,518,000
Services Agreement	1,578,000		1,578,000
			-
TOTAL	7,866,000	-	7,866,000

**AUTHORIZE THE ACQUISITION OF EQUIPMENT AND RELATED ACTION FOR THE
CARDIAC CATHETERIZATION LABORATORY AND APPROVE APPROPRIATION
ADJUSTMENT (Second and Fifth Districts)**

Olive View Medical Center (C.P. No. 86729)

I. PROPOSED PLANNING SCHEDULE

Project Activity	Scheduled Completion Date	Revised Completion Date	Date Completed
DHS Review ISD Changes	09/15/04	09/15/04	
ISD Makes Final Changes	09/17/04	09/17/04	
DHS Approves Final Specification	09/22/04	09/22/04	
File Board Letter	11/18/04		
Board Approval	11/30/04		
Preparation of Vendor Bid	11/08/04	11/08/04	
Bid Period	12/15/04		
ISD/DHS Evaluate Bids	01/05/05		
Issue Purchase Order Contract	02/02/05		
Vendor Prepares Construction Document	03/30/05		
Submit and Obtain OSHPD Approval	07/20/05		
Completion	12/07/05		

II. PROJECT BUDGET SUMMARY

Budget Category	Current Approved Budget	Impact of this Action	Revised Project Budget
Consultant	140,140		140,140
OSHPD Plan Check	14,137		14,137
Inspection	21,021		21,021
Construction	635,011		635,011
Change Order	65,691		65,691
Equipment	2,288,000		2,288,000
Services Agreement	781,000		781,000
			-
TOTAL	3,945,000	-	3,945,000

COUNTY OF LOS ANGELES
REQUEST FOR APPROPRIATION ADJUSTMENTDEPT'S.
No.

DEPARTMENT OF

Health Services

October 19, ~~xx~~ 2004

AUDITOR-CONTROLLER.

THE FOLLOWING APPROPRIATION ADJUSTMENT IS DEEMED NECESSARY BY THIS DEPARTMENT. WILL YOU PLEASE REPORT AS TO ACCOUNTING AND AVAILABLE BALANCES AND FORWARD TO THE CHIEF ADMINISTRATIVE OFFICER FOR HIS RECOMMENDATION OR ACTION.

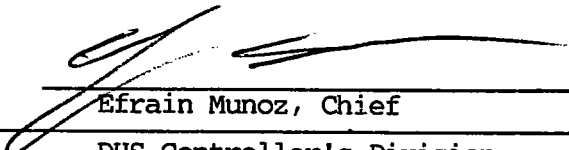
ADJUSTMENT REQUESTED AND REASONS THEREFOR

4-VOTE

Please see attached for details.

Justification:

The adjustment is necessary to allow the Department to use the DHS Designation Funds for the Cardiac Catheterization Laboratory Projects at Harbor/UCLA and Olive View UCLA Medical Centers.

EM:fl
10/19/04

Efrain Munoz, Chief

CHIEF ADMINISTRATIVE OFFICER'S REPORT

DHS-Controller's Division

REFERRED TO THE CHIEF
ADMINISTRATIVE OFFICER FOR—

ACTION

APPROVED AS REQUESTED

AS REVISED

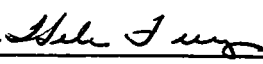

RECOMMENDATION

November 4, 2004

DAVID E. JANSSEN
CHIEF ADMINISTRATIVE OFFICER

AUDITOR-CONTROLLER

BY


APPROVED (AS REVISED):
BOARD OF SUPERVISORS

19

No.

186

NOV 2 2004

BY

DEPUTY COUNTY CLERK

DEPARTMENT OF HEALTH SERVICES
BUDGET ADJUSTMENT
FISCAL YEAR 2004-05

4-VOTE

SOURCES:

SB 855 Enterprise Fund
MN2-HS-60070-3085
Designation for DHS \$ 11,811,000

Coastal Area (Harbor/UCLA Medical Center)
MN1-HH-60020-9911
Operating Transfer In 7,866,000

San Fernando Valley Area (OV/UCLA Medical Center)
MN3-HO-60050-9911
Operating Transfer In 3,945,000

Coastal Area (General Fund Subsidy)
A01-AC-21226-6100
Operating Transfer Out 770,000

San Fernando Valley Area (General Fund Subsidy)
A01-AC-21232-6100
Operating Transfer Out 876,000

Total \$ 25,268,000

USES:

SB 855 Enterprise Fund
MN2-HS-60070-6100
Operating Transfer Out \$ 11,811,000

Coastal Area
MN1-HH-60020-2000
Services and Supplies 1,578,000

Coastal Area
MN1-HH-60020-6030
Fixed Assets 5,518,000

Coastal Area (General Fund Subsidy)
MN1-HH-60020-9912
Operating Subsidy 770,000

San Fernando Valley Area
MN3-HO-60050-2000
Services and Supplies 781,000

San Fernando Valley Area
MN3-HO-60050-6030
Fixed Assets 2,288,000

San Fernando Valley Area
MN3-HO-60050-9912
Operating Subsidy 876,000

Refurbished - Room Refurbishment
A01-HS-86728-6014
Fixed Assets-Building & Improvements 770,000

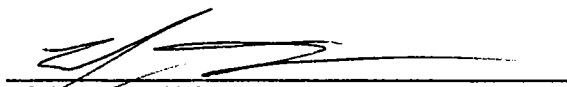
Refurbished - Room Refurbishment
A01-HS-86729-6014
Fixed Assets-Building & Improvements 876,000

Total \$ 25,268,000

Justification:

This adjustment is necessary to allow the Department to use the DHS Designation Funds for the Cardiac Catheterization Laboratory Projects at Harbor/UCLA and Olive View/UCLA Medical Centers.

Noted & Approved:


Efram Muñoz, Chief
DHS-Controller's Division

BA # 186